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MEMORANDUM FOR: Mr. Kent

FROM: Robert E. Matteson

SUBJECT: Laos

To record a point of view and for whatever other use it might be:

- l. I believe the nature of the problem in Laos will be determined by the extent to which the US presses a military buildup in Laos and the extent to which the RLG suppresses the NLHZ.
- 2. If the US and the French give the Bloc the impression that they are building a military bastion in Laos the Commie reaction will be severe and might even be armed action. Also, if the RLG takes strong measures to repress the NLHZ, Commie reaction will be correspondingly severe. While US policy is not to build such a bastion, what it and the French do and how they do it may give this impression. Likewise, RLG policy at the moment is not to suppress the NLHZ but to charge NLHZ leaders with inciting rebellion and to obtain the surrender of the dissident battalion. If the US, French, and RLG handle their various roles in this regard in a moderate way there should not be strong Commie reaction. If they don't, there will be.
- 3. The other way of saying this is that the Commies will not initiate military action in Laos unless provoked by the US, French, and RLG. This also means with reference to such ideas as contained in the Parsons cable that the Soviet do not need to heat up Laos or any other area for purposes of diversion. However, they may wish to heat up this or some other area to increase pressure for a Summit meeting but even this is doubtful. If the Geneva talks fail to achieve for the Soviet any of their objectives and it seems quite certain that they will the Soviets still have their move to conclude the peace treaty, hand over access controls, and mount a strong campaign for a free city of Berlin. To me, this is a strong position which will gain increasing support not only in Asia but in Western Europe.